NOVA SCOTIA

Report of
The Chief Electoral Officer

On the Thirty-fifth
Provincial General Election

July 27, 1999

100-05341/

NOVA SCOTIA

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May 3, 2000

Honourable Murray Scott
Speaker, Nova Scotia House of Assembly
Province House

Dear Mr. Speaker:

I have the privilege to enclose the Statutory Report of the Chief Electoral Officer concerning the Thirty-fifth General Election, which was held on July 27, 1999.

This Report is submitted pursuant to Section 172 of the *Elections Act*.

Should you require clarification or additional information on anything contained in this Report, I would be pleased to respond.

Yours truly,

Janet Willwerth
Acting Chief Electoral Officer

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INTRODUCTION

Statistical Information

The 1999 Election Returns (Volumes 1 and 2) published in accordance with Section 171(c) of the *Elections Act,* and this Report regarding the conduct of the General Election pursuant to Section 172 of the *Elections Act* together comprise the Report on the Thirty-fifth General Election. The Election Returns were divided into two volumes for the first time: one to publish the poll-by-poll results, and one to report the election expenses.

The Writs of Election for the Thirty-fifth General Election were issued on June 18, 1999. Ordinary Polling Day was July 27, 1999. Special Polls were held on July 15, 16 and 17, and the Advance Polls on July 23 and 24.

At dissolution, standings in the House of Assembly for the 52 seats were: 19 Liberals, 19 New Democrats and 14 Progressive Conservatives. There were no vacancies.

Candidates

There were 178 candidates nominated. The Liberal, New Democratic and Progressive Conservative Parties each sponsored a candidate in all the 52 electoral districts. The Chief Electoral Officer recognized the Nova Scotia Provincial Party on June 28, 1999. It sponsored 15 candidates. There were 13 Independent candidates.

Of the 178 candidates, 142 received the threshold of 15% of the valid votes cast in order to qualify them for public funding of their election expenses.

Voter Registration

638,655 voters were registered on the official list of electors to vote at this election. This registration is a decline from 1998, when 649,536 voters were registered. The official list of electors consists of the lists prepared after enumeration, along with the electors added by the revising officers. Enumeration was conducted from June 25th to July 2nd, 1999. An extra day was added to compensate for the July 1st holiday. Enumeration yielded 625,594 electors, and 13,061 were added at the revisal sittings. The numbers added by revising officers increased from 1998, when 9,230 electors were added.

Polling day revision added another 15,020 electors. This figure is an increase from the 1998 election, when 12,692 voters were sworn in to vote on election day.

With the voters added on election day, the total number of voters is 653,675, a decrease from the 1998 total of 662,228. At least a partial explanation of the decrease is the fact that universities and other post-secondary institutions were not in session. It is noted that the number of electors was down in three electoral districts with significant numbers of students: Antigonish, Halifax Citadel, and Kings South.

Comparison of the 1999 and 1998 General Elections

	Enumeration	Revision	Official List of Electors	Polling Day Revision	Total Number of Electors
1999 General	625,594	13,061	638,655	15,020	653,675
1998 General	640,306	9,230	649,536	12,692	662,228

Voter Turnout

Voter turnout was 68.1%, which is a reduction from the last two elections. In 1998, the

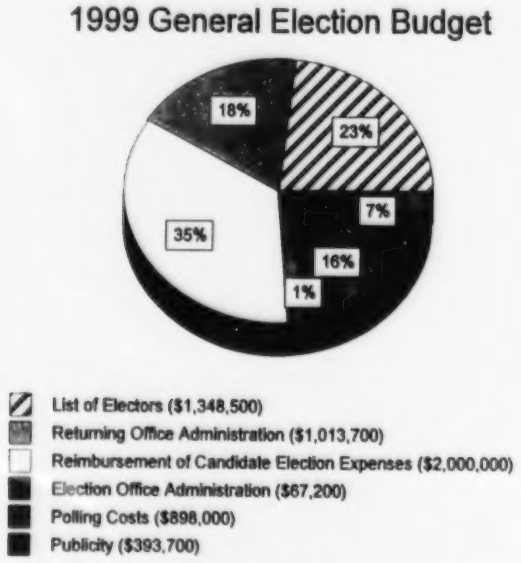
turnout was 69.5%, and in 1993, it was 75.4%. Voter turnout is calculated using the number of voters on the official list of electors (enumeration + revision) and the number of ballots cast.

Comparison of voter turnout 1988-1999

	Official List of Electors	Number of Electors Who voted	Percentage of Electors Who Voted
1999 General	638,655	435,065	**68.1%**
1998 General	649,536	451,206	**69.5%**
1993 General	654,580	493,239	**75.39%**
1988 General	623,586	472,437	**75.76%**

Election Expenses

The total costs of the 1999 General Election was $5,721,100, allocated as follows:



List of Electors

Includes enumeration, revision, data-entry, photocopying

Returning Office Administration

Includes payments for office rental, office expenses, salaries and expenses of returning officers and election clerks. Also includes training costs and post-election debriefing.

Election Office Administration

Includes additional costs at the Office of the Chief Electoral Officer.

Polling Costs

Includes costs of Deputy Returning Officers, Poll Clerks, and other poll officials, and rental for Polling Stations (for ordinary, advance and special polls).

Publicity

Includes advertising costs and costs of transmission of information to electors.

Reimbursement of Candidates

Includes reimbursement for campaign expenses and contribution toward audit fees.

This represents a reduction from the amount spent in the 1998 General Election. Because of the short period of time between the two elections, there were opportunities to re-use supplies. A decision was also made to forego the purchase of costly watermarked paper in favour of less expensive special bond paper for use in printing ballots.

Judicial Recounts

Judicial recounts were held in the electoral districts of Antigonish, Cape Breton East, Shelburne and Yarmouth. The results were unchanged in the electoral districts of Antigonish and Yarmouth. In Cape Breton East, the judicial recount resulted in the Liberal candidate being declared elected, which was a change from the results after the ballots were counted on election night, when the New Democratic Party candidate was the winner. In Shelburne, the judicial recount resulted in a tie, and the returning officer had to break the tie. The Progressive Conservative candidate was declared the winner.

Controverted Election Petitions

A controverted election petition was heard by the Supreme Court with respect to the election in Cape Breton East. As a result, the election was declared void, and a writ for a by-election was issued on February 25, 2000. The by-election was held on April 4, 2000.

Evaluation of the Thirty-fifth General Election

Since only 15 months elapsed between the Thirty-fourth and Thirty-fifth General Elections, there was no implementation of any changes in procedures or the electoral law in that time period.

Preparation of the List of Electors

As a result of the General Election in 1998, some minor changes were made in the EDCARS computer program, used to create the list of electors. Mr. Blair Fraser of EQuity Software Solutions of Charlottetown, the developer of EDCARS, again set up a Help Desk in the Elections Office while the list of electors was being prepared. The number of returning officers who produced the list of electors "in house" rose from 8 in 1998 to 11 in 1999.

We were able to expand our use of "assisted enumeration" forms, by providing them to twelve electoral districts. These forms are pre-printed with the civic addresses in each polling division. These forms then help the enumerators and the returning officers in assessing whether all addresses have been visited.

On a voluntary basis, enumerators collected the date-of-birth of the electors. This information is necessary in order to share our data with Elections Canada. Anything that would assist in improving the federal permanent voter's list for Nova Scotia would be a service to the electorate of this province.

Revision forms were changed, in order to separate the revision records to have them returned to the Chief Electoral Officer. In that way, we were able to incorporate the revisions into the provincial list of electors. This additional information is important to Elections Canada and

municipalities who will be using the provincial voter's list for the municipal and school board elections in October, 2000.

Recruitment of enumerators remains a problem for some returning officers. The fact that the Tariff amounts for payment of enumerators has not changed in 15 years makes it increasingly difficult to find competent individuals who are prepared to undertake this work for the money being offered. Reports came of enumerators, especially in rural areas, who would not make their call-backs because they are not reimbursed for mileage.

As well, anecdotal reports from returning officers clearly show that there are individuals who do not wish to answer the door to enumerators.

Other Summer Election Challenges

Other challenges faced by having a summer election were the increased difficulty in some cases of getting polling stations, when traditional locations were not available; and the difficulty generally of finding staff to work at that time of year. Additional costs had to be incurred in some cases in order to find suitable places for polling stations.

Technology

It became apparent between the 1998 and 1999 General Elections that a website for the Elections Office was essential. One was developed just prior to the election being called, and was still under construction during the election itself. The potential use of the internet as a public information medium must also be examined prior to the next election. Although the website was not as far along as we would have liked it to be, we were able to post information of interest to electors during the election. It is a goal of the Office in the next number of months is to improve

the website, and begin posting a number of our reports that are now only publicly available in papers copies.

Breaking a Tie

The tie vote following the judicial recount in the electoral district of Shelburne had to be broken by the returning officer. In the presence of the court, the returning officer decided to break the tie by lot. This method of breaking a tie is not specifically contemplated in the *Elections Act,* which requires that the returning officer "give the casting vote without depositing a ballot paper and declare elected the candidate for whom he has given the casting vote" [s. 168(2)]. The drawing of the lot, however, was an acceptable method to those involved in the recount.

This decision raised an issue of concern to a number of returning officers: as impartial election administrators, being obliged to cast a vote for one candidate over another raises fears that their impartiality may be questioned in future elections.

For this reason, alternate methods of breaking a tie vote should be examined. The drawing of a lot is used in ties in municipal elections in Nova Scotia. Some other jurisdictions proceed to an automatic by-election. Whatever method is chosen, the impartiality of the returning officer should be maintained and perceived to be maintained.

Controverted Election Petition

The controverted election petition in the Electoral District of Cape Breton East was successful, with the seat being declared vacant effective February 11, 2000.

The court found that there were several irregularities which affected the result of the vote:

- Six declarations of electors required to be taken at the special poll were not signed, as required by the *Elections Act.*
- A total of 6 ballots counted on election night were not available to be counted at the judicial recount.
- There was one additional ballot found after the election that was not part of the original tally.

Since the margin of victory for the winner was 5 votes, the court found that the result of the election had been affected by these irregularities, and therefore the election was declared void.

Although the court also heard evidence concerning allegations of corrupt practices, there were no findings of impropriety made.

The Office of the Chief Electoral Officer is seriously considering these findings, to try to ensure that these irregularities do not happen in future.

Future Directions

List of Electors

In late 1998 the Chief Electoral Officer commissioned a study of the use of the National Register of Electors (NROE) for elections in Nova Scotia. The study was conducted by Wayne Donovan and Associates of Ottawa, and was completed early in 2000.

The study concluded that there was not a compelling business case for Nova Scotia to switch to the National Register of Electors at this time. Given our current circumstances, there will not be significant financial savings to preparing a list of electors using the NROE as compared to continuing door-to-door enumeration. The cost of producing a list of electors by enumeration is about $1.3 million. The cost of using the NROE for an election is about $650,000. However, there

is also an additional cost of $300,000 which must be spent between elections in working with the NROE data. This makes the projected costs of using the NROE $950,000, over a 4-year cycle.

There are three reasons that there are not significant cost-savings:

1 The NROE data has to be placed into Nova Scotia's "electoral geography", which means moving the electors from federal constituencies and polling divisions into our constituencies and polling divisions. This process necessitates working closely with Elections Canada to develop a common civic address database.

2. The most recent statistics from Elections Canada concerning the current accuracy of the NROE extract for Nova Scotia show that while our list contained 93.9% of electors, only 75.8% of the correct electors are shown on the NROE at the correct address. This means that significant revision efforts must occur during an election to make sure the list is correct on polling day. This means that the cost of revision (now $98,100) would increase substantially. Our current 4% revision rate would grow to between 20-25% of the list of electors, or, put another way, our current revision of about 25,000 electors would grow to about 130,000 electors. These changes are made during an election, which has the effect of shifting costs from door-to-door enumeration to the revision effort.

3. There will be increased operational costs during an election at the Office of the Chief Electoral Officer and at the individual returning offices, largely to respond to public inquiries about whether they are on the list of electors, and to the necessity to enhance technology to deal with the register data.

However, there are circumstances which may serve to make the NROE more attractive to use in the future. These are:

- Should the Tariff of Fees be amended to pay what might be considered "market rates" for enumerators, the cost of having an enumerated list will rise, which will make a difference in the business case.

- As the figures on page 3 indicate, the size of our list of electors actually shrunk over the last three elections, with a decrease in the number of electors enumerated, and an increase in the number who are added through revision, particularly polling day revision.

- Public concern about privacy means that there is more resistance to giving information to canvassers at the door, and lifestyle changes mean fewer people are at home when enumerators call.

- The technological impediments to using the NROE data may be alleviated, and technological advances may eventually reduce the costs involved with using the NROE.

- Because of the publicity surrounding the implementation of the NROE, there is a public expectation that enumerations will no longer be conducted.

For these reasons, Mr. Donovan's report recommends that the Chief Electoral Officer continue talks with Elections Canada with a view to eventually using the NROE. While these talks are ongoing, he also recommends that the appropriate enabling legislation be put in place, as well as the necessary dedicated staff, to allow the provincial elections office to move to use the NROE. An integral part of the recommendations is to pilot the use of the NROE, possibly in one or two by-elections, before determining that it should be used province-wide.

In the spirit of these recommendations, the Chief Electoral Officer has concluded an agreement with the Chief Electoral Officer of Canada, which allows the provincial elections office to evaluate the Nova Scotia portion of the NROE. This evaluation is now ongoing.

Mr.. Blair Fraser, of EQuity Software Solutions, Inc. of Charlottetown, who wrote EDCARS, the software program that we used to produce the list of electors, has merged the Nova Scotia voter's list to a single database, and has written an application which compares the civic addresses maintained in the list of electors for Nova Scotia, and the civic addresses in the NROE databse, and indicates where matches do not occur, and in what part of the address. This application will yield information which will allow us to begin detailed talks with Elections Canada on the feasibility of adapting the NROE for use in provincial elections.

In the interests of interjurisdictional co-operation, the provincial elections office will be supplying the provincial list of electors for use in the regular municipal elections, to be held in October 2000. Amendments were made in 1999 to the *Municipal Elections Act* to allow the

Province to provide the lists to the municipalities. Municipalities that wish to have access to the list can request it. As well, Elections Canada has agreed that the provincial elections office can supply extracts from the NROE to municipalities which wish to access that list of electors for the municipal and school board vote in October. In turn, municipalities which use our list of electors will be asked to return changes to this office, in order that we might update the civic address data on our database. Any discussions that are ongoing with Elections Canada will also focus on the potential to use the NROE for municipal elections. The provincial list of electors has also been supplied to Elections Canada, so that it can be used to evaluate the accuracy of current NROE data for Nova Scotia.

It would be our goal to eventually develop an application of the NROE that can be used for elections in all three levels of government in the Province.

Amendments to the Elections Act

With the assistance of the Election Commission, which consists of representatives of the three recognized parties in the House, Bill #85 was drafted and introduced at the 1998 Fall Session of the House of Assembly. It died on the order paper when the House of Assembly was dissolved for the 1999 General Election.

The bill covered the following topics:

- replacement of proxy voting with a procedure for mail-in ballots;
- expanding revision of the list of electors to take place under the direction of constituency returning officers for a three-week period instead of having Cabinet-appointed revising officers work for a three-day period;
- making voting-day revision uniform across the Province, by allowing those not on the list of electors to be be sworn in to vote at their neighbourhood polling stations, as opposed to having to first appear before a revising

officer in the former cities and large towns;

- allowing voters to be added to the list of electors at the advance polls, removing the restrictions on ability to vote at the advance poll, and increasing the hours of voting at the advance poll;
- providing for increased voting opportunities at the returning office from the current three days to two weeks;
- moving nomination day back to 21 days from 14 days before the election, to facilitate mail voting;
- allowing campaigning in locked multiple-dwelling buildings;
- setting clear rules for the selection of poll officials;
- requiring polling stations to have level access;
- providing for fixed terms of office for returning officers.

Consideration is again being given to amendments to the electoral legislation. The Nova Scotia Election Commission is being consulted about further amendments to the *Elections Act.*

Other potential reforms that are being considered are:

1. Following on the recommendations of the consultant, draft the necessary legislation to allow the use of the National Register of Electors, with the consequential amendments which change the qualifications to vote, the revision of the list of electors and the procedure for voting on election day by those not on the list of electors.

2. In order to avoid confusion where two or more candidates on the ballot have the same surname, allow the inclusion of party logos on the ballot.

3. As a result of some of the evidence heard during the trial of the controverted election petition, consider allowing a person to assist only one unrelated person to vote. There have been concerns raised that partisan workers offer to assist voters who are residents of extended care facilities. It should be mentioned that this concern has been raised in other areas of the province. Generally, the attempt to secure the votes of what may be termed "vulnerable" electors, be they in extended care facilities, group homes, or residing in their own homes should be of concern to all involved in the election process. It is important to protect the dignity of these

citizens, so that those who have capacity to vote and who wish to do so are assisted through a variety of means to cast their ballot, while those who are not capable of understanding the process, or who are not able to articulate their choice of candidate by any means, are not pressured into giving proxies or being taken to the polling station to be assisted to vote.

4. Enforcement of the *Elections Act* needs to be reviewed. Some infractions are not offences under the legislation, while the current creation of offences necessitates investigation by police forces. Some individuals do not wish to provide information on offences to the police. Frustration is often expressed when persons feel that there violations of the *Act,* particularly with partisan activities on election day, and there is no "swift justice" that can be applied, such as by having offending signs removed or campaign workers ceasing to distribute partisan material. Some provinces use other enforcement methods, such as having other investigative units, or some administrative sanctions for failure to comply with some provisions of the legislation.

Tariff of Fees and Expenses

Hand-in-hand with the moves to amend the *Elections Act* must come the realization that those who work in the administration of elections, returning officers, their clerks, poll officials and others are performing work for which they have been accorded no increase in .pay since 1984, except to bring a couple of categories of workers up to minimum wage. One of the most consistent complaints from all recognized parties during the election was that workers were not well trained. The party representatives, whose responsibilities would include the recruitment of personnel, have also expressed the view that the low pay scales are hampering their efforts to get qualified people to work.

Equally difficult is the situation for returning officers and clerks, particularly the latter, who are paid minimum wage only. If Nova Scotia opts to use the NROE for its elections, then it must be recognized that the role and responsibility of the returning officer and his or her staff will change radically, and they must be given adequate pay and office support to function in an

environment that is more technologically complex and more difficult to administer. A decision to use the NROE must not be made without consideration of those persons who must make it work.

The structure of the Tariff is also dated, referring to such things as "typesetting" lists of electors, "cleaning ballot boxes", and the use of "telegrams" and "typewriters". There must be a re-vamping of the positions, with their attendant pay scales, prior to the next General Election.

Redistribution

Under the provisions of the *House of Assembly Act,* an independent Boundaries Commission must be appointed and given its terms of reference by March 31, 2002. This means that it is most likely that the next General Election will be conducted on revised boundaries. These changes also mean increased work for the staff of the Elections Office, in terms of implementing the changes recommended by a Boundaries Commission.

Election Financing

There are a number of components to the financing of elections in Canada. Nova Scotia has adopted four features to enhance public confidence in the electoral process:

- **disclosure** of contributions for candidates, recognized parties and electoral district associations,
- **spending limits** during an election campaign for recognized parties and candidates,
- **public funding** of the election campaigns of candidates who get more than 15% or more of the valid votes cast, and
- a system of **income tax credits** for contributions to candidates during an election, and to recognized parties at any time.

Looking at each of these components, disclosure of contributions is generally viewed as important

because this knowledge is thought to assist the voting public in assessing the way that a particular candidate or party may act once they are elected. Disclosure also means that the party or candidate does not have a secret source of funds, and subsequently donors to whom they may try to cater their policies to the detriment of the public interest.

Spending limits and public funding of election campaigns are generally thought to put those running in elections on a level playing field, so that some candidates are not "outspent" by others. Public funding also helps campaigns that qualify to meet some expenses, and to mount a more successful campaign.

Income tax credits encourage donors to make contributions to the recognized party or candidate of their choice, which assists in keeping democracy healthy in the Province.

Background

The following excerpt from the Royal Commission on Electoral Reform and Party Financing, entitled *"Reforming Electoral Democracy"*, helps to give a context for a discussion of election financing. Although the reference is to the federal legislation, Nova Scotia's is similar to that legislation, so the comments are relevant:

> "Since 1974, freedom of expression has been further affected by the spending limits imposed on candidates and registered parties and by the restrictions on independent election spending by other individuals and groups under the *Canada Elections Act.* The adoption of these limits and restrictions sought to ensure the equal opportunity of each candidate and party to exercise freedom of expression in the electoral process in a meaningful manner. This was achieved by limiting the capacity of one or more candidates or parties, or others who might directly promote or oppose them, to dominate election discourse because they could afford to buy more media time or space. The 1974 law also sought to enhance fairness in the opportunities of candidates and parties to attain meaningful freedom of expression by providing partial reimbursements for candidate and party election expenses and

> income tax credits for political contributions. In addition to supporting the right of individuals to candidacy and the right of individuals to participate through political parties, these provisions recognized that public funding was important to allow candidates and parties a fair opportunity to mount effective campaigns through the mass media.
>
> Freedom of expression in the electoral process, however, cannot be meaningfully achieved unless the laws that govern this process explicitly seek to promote fairness in the exercise of this freedom. In this critical respect, the electoral law should not presume that all participants will have equal resources to communicate with the electorate. To do so would be to ignore the fact that different participants draw on different bases of political support to finance their electoral campaigns. Nor should the electoral law assume that inequalities among participants are irrelevant to the outcome of elections. To do so would be to ignore the known effects of political communication: the capacity to communicate often, to use different media and to develop messages with the assistance of marketing and advertising experts is a significant factor in the political persuasion of voters."

Nova Scotia accepted these principles when the spending limit, public funding and income tax credit system was developed in 1969. Although there are a number of similarities with the federal system, one major difference is that Nova Scotia does not provide public funding to recognized parties.

CURRENT SITUATION

1. Definition of "election expenses"

Nova Scotia has adopted a broad definition of "election expenses". According to s. 3(i) of the *Elections Act*, an "election expense" is "all expenses incurred during an election for the purpose of promoting or opposing directly or indirectly the election of a candidate, or a person who becomes or likely to become a candidate, or the program or policy of a candidate or party and includes expenditures incurred before an election for literature, objects or materials of an advertising nature used during an election for the purpose above referred to".

The exceptions are: (paraphrasing the legislation)

- cost of newspaper editorials, news reports or letters to the editor that are published according to the same rules as outside the election period.
- cost of broadcast of news or comment, published according to the same rules as outside the election period.
- costs of a nomination meeting (except publicity costs) that do not exceed $1000.
- reasonable expenses of a candidate for lodging and food, if those expenses are not reimbursed.
- transportation costs of a candidate.
- transportation costs of any person that are not reimbursed to him.
- nomination deposit.
- usual expenses of a permanent office of a recognized party.

Section 180 of the *Elections Act* requires that all payments of $25 or more be evidenced by a receipt, of sufficient detail to allow for auditing. The receipt is also to include the "unit price" of the item or service which was purchased. No person is to charge a price different from his regular price for similar work, service or merchandise, or to accept different remuneration or to renounce remuneration [s. 175(2)]. An exception is made for volunteer labour and the services of someone's personal vehicle, if the person donates them freely and not as part of his work in the service of an employer. If goods and services are donated to a campaign, then they must be valued and shown as expenses. The value of the goods and services must then be disclosed as contributions.

Section 175(5) allows a candidate to pay his "personal expenses"up to $1000; but "personal expenses" are not defined. Since the authority to pay personal expenses is referenced back to the definition of "election expenses", the term "personal expenses" has been interpreted as

being the payment of election expenses personally by the candidate.The candidate is prohibited from personally paying publicity costs. Some personal expenses are not treated as election expenses, namely, costs for personal appearance, salary replacement, or family care.

Unlike other jurisdictions, in Nova Scotia there is no specific power for the Chief Electoral Officer to issue guidelines to interpret this definition. As well, election campaigns are waged by many people in what is essentially a volunteer capacity, and there is a need for a clearer definition of allowable expenses. This is important for two reasons: the first is that it must be clear to what expenses the spending limit applies. Secondly, it must be clear what expenses are subject to reimbursement. The two need not be identical, and in some Provinces they are not.

Through the use of the *Official Agent's Handbook,* the Chief Electoral Officer has over the years given some guidance on the application of public funding to election expenses. It may be time to follow the example of some other jurisdictions and introduce training sessions for official agents.

2. *Spending Limits*

The spending limits for candidates and parties are set by a formula established in the *Elections Act.* The most recent limits were as follows:

For candidates, $4.47 per elector for the first 5,000 electors in the electoral district
$3.80 per elector for the number of electors between 5,001 and 10,000
$3.35 per elector for the number of electors exceeding 10,000.

For recognized parties, $1.79 per elector in each electoral district in which the party has a candidate.

As examples, the average number of voters in a constituency in Nova Scotia is 12,300. Applying the formula, the spending limit for this average constituency is $49,055. By contrast, the average

amount spent by candidates during the 1999 election was $23,609.29. These figures would indicate that there is not a need to change the spending limits; they are clearly not too stringent for candidates to mount a successful campaign.

If a recognized party ran candidates in all provincial electoral districts, the spending limit was $1,143,192. Again, parties did not exceed this limit.

3. *Reimbursement of Candidates (Public Funding)*

Reimbursement levels are also governed by formula in the *Elections Act.* The level in 1999 was $1.12 for each elector in the electoral district of a candidate. Applying this figure to the average constituency of 12,300 electors, a candidate will receive $13,776 towards the cost of the campaign. In order to achieve the full reimbursement amount, the candidate must have spent that amount on expenses that meet the definition in the legislation. The policy has been that, as long as there are sufficient expenses which meet the definition, then the fact that there are other reported expenses that may not meet the definition will not affect the reimbursement. Thhe Chief Electoral Officer has a policy of not reimbursing public funds for the purchase of alcoholic beverages, even though these may be election expenses.

In a general election, the total reimbursement is made in two installments: 75% is released once the Chief Electoral Officer is satisfied that election expenses of at least that amount have been made. The remaining 25% is released once a detailed review of the expenditures have occurred.

The total amount that is to be reimbursed for the 1999 General Election is $2,000,000.

4. *Disclosure of Contributions*

The rules for disclosure of contributions are found in the *Members and Public Employees*

Disclosure Act. In the Statutory Report of the Chief Electoral Officer in 1993, it was recommended that these provisions be integrated into the *Elections Act,* so that the full regime of legislation applying to expenses and contributions for parties and candidates are in one place. Considering that many people who work in election campaigns are in essence volunteers, it makes sense to try to put the rules the official agents need to follow in one place.

5. ***Income Tax Credits for Political Contributions***

The total amount of money that Nova Scotians donated to provincial political parties and candidates in 1999, for which tax receipts have been issued, is $3,720,207.97, from a total of 18,260 contributors. The exact amount of the tax credit accorded to these donations is not known, but a significant amount would be available to the taxpayer for that purpose. The tax credit program is another form of public funding for the democratic process.

CONCERNS

The current regime of political finance control has not changed substantially in 30 years, with the exception of the enactment in 1991 of the *Members and Public Employees Disclosure Act* and the Political Contribution Disclosure Regulations. In at least the last 3 elections, there has been a change in how the election expenses have been reported and applied.

Expenses Shared Between Recognized Parties and their Candidates

The main concern is what might be termed "downloading" of the expenses of the parties onto the candidates. It is also considered "sharing" of expenses. Both terms are probably apt, depending on the expense being divided. All three of the recognized parties in the House have their candidates sign over their provincial rebate to the party, which then takes the amount which the

party is claiming from the candidate, and gives the candidate the remainder. Although it is a truism that a party is not elected; its candidates are, the blurring of the line between party and candidate expenses is making the application of the appropriate provisions of the *Elections Act* more difficult. Although in some cases the expenses that the party has indicated were made on behalf of a particular candidate's campaign are clear and easy to substantiate, in other instances they are not. These funds are usually earmarked for a particular expense that the party is undertaking, and the question of whether a certain candidate has benefitted from the expenditure to the extent of the bill presented by the party is difficult to quantify.

Another concern is that it becomes more difficult to determine whether or not a party has complied with its spending limits when certain of its expenses are to be shared with the candidates. There is little doubt that the expenses are being undertaken by the party, in most cases, and there is also little doubt that the candidate has agreed to share the expenses. The difficulty is in determining whose expenses they are.

A third concern is that parties know that the candidates will receive public funding for campaigns, and this funding provides a source of revenue for candidates' campaigns that is not currently available to the parties, unless they can bill costs through to the candidates' campaigns. The fact that candidates are asked to sign over their rebates to the party indicates that this revenue is sought by the parties to help fund the central campaigns.

As mentioned earlier, parties cannot be elected unless their candidates are elected, and it is certainly reasonable for parties to incur expenses on behalf of candidates. A candidate can certainly share expenses with the party. The issue to be resolved is to ensure a proper allocation and authorization of expenditures, so that the spending limits can be more accurately monitored.

One effect of this trend of expense sharing is the increasing difficulty the Office of the Chief Electoral Officer is having in reviewing the expense claims of the candidates, prior to authorizing the release of the first instalment of the reimbursement. In many cases, it is now necessary to review the expenses of the party prior to commencing a review of the candidates' expenses. The expenses that the party is claiming from the candidates must be substantiated by invoices and payments, and then tracked with the candidate's expenses. A further difficulty is that the bill that each campaign receives from the party is either determined to be an amount per elector in the constituency, or an amount per household in the constituency. The amount that the candidate is being billed by the party is unrelated to what the candidate may have actually spent in his or her own campaign, and there are instances where most of the rebated amount could go to the party. This is a concern of small campaigns that spend less than or near to the rebate amount.

Full Reporting of Campaign Expenses

One of the difficulties that official agents have is in knowing which expenses need to be reported. In some cases, official agents will report all expenses; this is not a difficult method of reporting. There is no requirement, however, to provide a full financial statement of the campaign's income and expenses. As well, donations in kind to a campaign can also be difficult to track. They must be reported as expenses of the campaign, as well as contributions to it. In some cases now, a review of a candidate's expenses requires a comparison with the candidate's Statement of Political Contributions. Since the statement of contributions is not required to be submitted with the expense reports, there could be another delay in the finalizing of the review of the candidates' expenses. We have suggested that the Statements of Political Contributions for candidates be filed with the expenses, and have in fact had excellent co-operation from official

candidates be filed with the expenses, and have in fact had excellent co-operation from official agents for this initiative.

A Need for Review

In reviewing the current situation in Nova Scotia, it is useful to look at the provisions in other Canadian jurisdictions. The review would include such things as:

- what are allowable election expenses
- the difference between reimburseable and non-reimburseable expenses
- rules for identification of election advertising
- election expense reporting requirements
- reimbursement of parties for election expenses
- sharing of expenses between parties and candidates
- filing of annual financial statements by recognized parties
- the regulation of expenses of third parties
- expenses specific to candidates with special needs
- the internet as an advertising tool

Other Provinces do deal with these issues, and it would be useful to have a discussion of them prior to the next election. It would be hoped that this review will be concluded and any necessary amendments to the *Elections Act* would be recommended to the House in a timely fashion.